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§ 501.25 Meter replacement.

The manufacturer must keep its postage meters in proper operating condition for licensees by replacing them when necessary or desirable to prevent mechanical breakdown.

[60 FR 30726, June 9, 1995. Redesignated at 66 FR 55097, Nov. 1, 2001]

§ 501.26 Inspection of meters in use.

(a) The manufacturer must have all its meters in service with licensees inspected according to the following schedule. A high-volume mailer is defined as one who has annual metered postage in excess of \$12,000.

Meter Type	Monthly	Quarterly	Semiannually	Annually
Mechanical	Special Circumstances	High-Volume Licensees Using System Meters	Other Licensees Using System Meters	Stand-Alone Meters
Electronic	Special Circumstances		High-Volume Licensees Using Non-CMRS System Meters	All CMRS and Other Electronic Meters

(b) Manufacturer inspections must be sufficiently thorough to determine that each meter is clean, in proper operating condition, and recording its operations correctly and accurately. The manufacturers must:

- (1) Compare the meter serial number on the meter with the serial number on the source document (manufacturer's records).
- (2) Record the ascending and descending register readings and calculate the total readings. Record the locking-seal identification number.
- (3) Obtain the licensee's PS Form 3602-A, Record of Meter Register Readings, or equivalent, and a copy of the most recent PS Form 3603, Receipt for Postage Meter Setting, and verify the control total after the last setting with the control total calculated during the proof-of-register procedure.
- (4) Verify the accuracy of postage selection, denomination indicator wheels or electronic display, and denomination printing wheels following the proof of registers by printing a .00 meter stamp and then comparing the register readings with the recorded register readings.
- (5) Check to determine that the post office locking seal is in place and properly sealed and that the seal wire is properly wound and tightly gripped by the seal-locking mechanism, and tight-

ly pulled up to the lock cover or post. Ensure that the locking-seal identification number matches the seal number recorded at the time of the last meter resetting.

- (6) Check to determine that the lock cover properly protects the lock and has not been loosened, bent, or tampered with.
- (7) Complete the following, as applicable to the specific meter model:
 - (i) Check to ensure that the meter fits properly on the meter base.
 - (ii) Check all breakoff screws to determine that no screw is missing or loose or shows signs of removal.
 - (iii) Operate the dater and meter ad selector dials to test the dater, post-mark die, and meter ad plate.
 - (iv) Check the alignment and condition of engraving on the denomination printing wheels, when visible.
 - (v) Check the descending register door for damage, pry marks, or scarring. Make certain that the door cannot be opened without unlocking it.
 - (vi) Examine the meter drum for damage, pry marks, or scarring.
 - (vii) Examine the meter cover for pry marks or scarring near the post office lock or breakoff screws, any drilled holes, or any signs of attempted entry into the internal mechanism of the meter.

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(viii) Examine the meter stamp die for excessive wear, damage, breakage, or scars from prying, and the postage die retaining screws for signs of wear to ensure that none is missing or shows signs of removal.

(ix) Check the register, counter, and display windows for breakage or cloudiness.

(x) Obtain the signature of the licensee to show that a meter inspection has taken place.

(8) Report immediately to the licensee's licensing postmaster any irregularity in the operation of the meter or sign of improper use, and take steps to replace or remove the meter.

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§ 501.27 Meters not located.

Upon learning that one or more of its postage meters in service cannot be located, the manufacturer must undertake reasonable efforts to locate the meters by following a series of Postal Service-specified actions designed to locate the meters. If these efforts are unsuccessful and a meter is determined to be lost or stolen, the manufacturer must notify the Postal Service within 30 days by submitting a Lost and Stolen Meter Incident Report.

(a) If a licensee cannot be located, the manufacturer must, at a minimum, complete the following actions:

(1) Call the licensee's last known telephone number.

(2) Call directory assistance for the licensee's new telephone number.

(3) Contact the licensee's local post office for current change of address information.

(4) Contact the local post office for a copy of the applicable PS Form 3610 and PS Form 3601-C. Verify the location of the meter or licensee currently maintained in those meter records.

(5) Contact the rental agency responsible for the property where the licensee was located, if applicable.

(6) Visit the licensee's last known address to see whether the building superintendent or a neighbor knows the meter licensee's new address.

(7) Check the centralized meter inspection file for change of address notation.

(8) Mail a certified letter with return receipt to the licensee at the last known address with the notation "Forwarding and Address Correction Requested."

(9) If new address information is obtained during these steps, any scheduled meter inspections must be completed promptly.

(b) If a meter is reported to be lost or stolen by the licensee, the manufacturer must, at a minimum, complete the following actions:

(1) Ensure that the meter licensee has filed a police report and that copies have been provided to the appropriate Inspection Service Contraband Postage Identification Program (CPIP) specialist.

(2) Withhold issuance of a replacement meter until the missing meter has been properly reported to the police and to the appropriate Inspection Service CPIP specialist.

(c) If the manufacturer later learns that the meter has been located and/or recovered, the manufacturer must update lost and stolen meter activity records, inspect the meter promptly, initiate a postage adjustment or transfer if appropriate, and check the meter out of service if a replacement meter has been supplied to the meter licensee.

(d) If a meter reported to the Postal Service as lost or stolen is later located, the manufacturer is responsible for submitting a new Lost and Stolen Meter Incident Report that references the initial report and outlines the details of how the meter was recovered. This report must be submitted to the Postal Service within 30 days of recovery of the meter. The meter manufacturer is also responsible for purging lost and stolen meter reports that are provided on a periodic basis to the Postal Service ISSC for those meters that have been recovered.

(e) Any authorized manufacturer that fails to comply with standardized lost and stolen reporting procedures and instructions is subject to an administrative sanction under § 501.23, as determined by the Postal Service.

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